

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS **A** WELL LOG _____ ELECTRIC LOGS _____ FILE WATER SANDS _____ LOCATION INSPECTED _____ SUB REPORT/abd _____

DATE FILED **6-29-84**
 LAND FEE & PATENTED _____ STATE LEASE NO **ML-30565 ML-30605** PUBLIC LEASE NO _____ INDIAN _____

DRILLING APPROVED: **6-29-84 - OIL (CAUSE NO. 131-14)**

SPUDDED IN: _____
 COMPLETED _____ PUT TO PRODUCING _____

INITIAL PRODUCTION: _____
 GRAVITY API _____
 GOR _____

PRODUCING ZONES _____
 TOTAL DEPTH _____

WELL ELEVATION _____
 DATE ABANDONED **7-6-84 LA Application Rescinded**
 FIELD **UNDESIGNATED 3/86**

UNIT: _____
 COUNTY **DUCHESNE**
 WELL NO **SAM-EXXON STATE 1-28B1** API #**43-013-30969**

LOCATION **1693' FSL** FT FROM (N) (S) LINE. **1545' FEL** FT FROM (E) (W) LINE **NWSE** 1/4 - 1/4 SEC **28**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				2S	1W	28	SAM OIL INC.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

30605
ML-30605
3. Lease Designation and Serial No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.

10. Field and Pool, or Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area

12. County or Parrish 13. State

14. Distance in miles and direction from nearest town or post office*

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest dir. line, if any)

16. No. of acres in lease

17. No. of acres assigned to this well

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

19. Proposed depth

20. Rotary or cable tools

21. Elevations (Show whether DF, RT, GR, etc.)

22. Approx. date work will start*

23. PROPOSED CASING AND CEMENTING PROGRAM

1a. Type of Work
DRILL DEEPEN PLUG BACK

b. Type of Well
Oil Well Gas Well Other

Single Zone Multiple Zone

2. Name of Operator
Sam Oil, Inc.

3. Address of Operator
P O Box 1030, Roosevelt, Utah 84066

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 1545' FEL 1693' FSL NWSE
At proposed prod. zone Same

5. Patry
Sam-E Exxon
State 1-28BIE

6. Blueland UNDESIGNATED

7. T2S-R1W-Sec 28, USM

8. Duchesne, Utah

9. 1545' FEL 1693' FSL

10. 640

11. 640

12. 12,500

13. Rotary

14. June 30, 1984

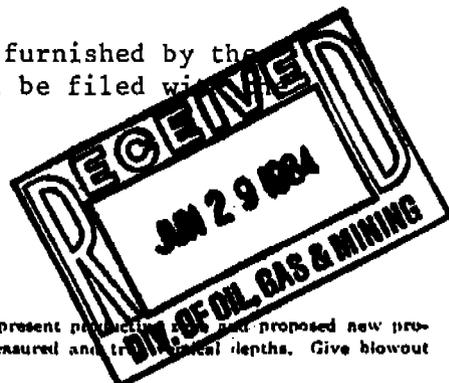
Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
30"	20"		40'	200 CF
12 1/2"	9-5/8"	36	2500'	400 CF
8-3/4"	7"	26,29,32	12,500'	750 CF

This well is proposed to test the Wasatch Formation. Surface damages will be settled with the surface owner. The well is to be drilled from surface to TD with fresh water and/or fresh gel mud. The mud system is to be weighted, as necessary, with barite, to control pressure. BOPE will be installed after setting the surface pipe, and used in accordance with the attached diagram. Surveyor's plat and BOPE diagram is attached. Water will be furnished by the landowner, and an application for the change in water rights will be filed with State Engineer and a copy to your office.

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 7/6/29/84

BY: [Signature]



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen or plug back, give data on present production and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

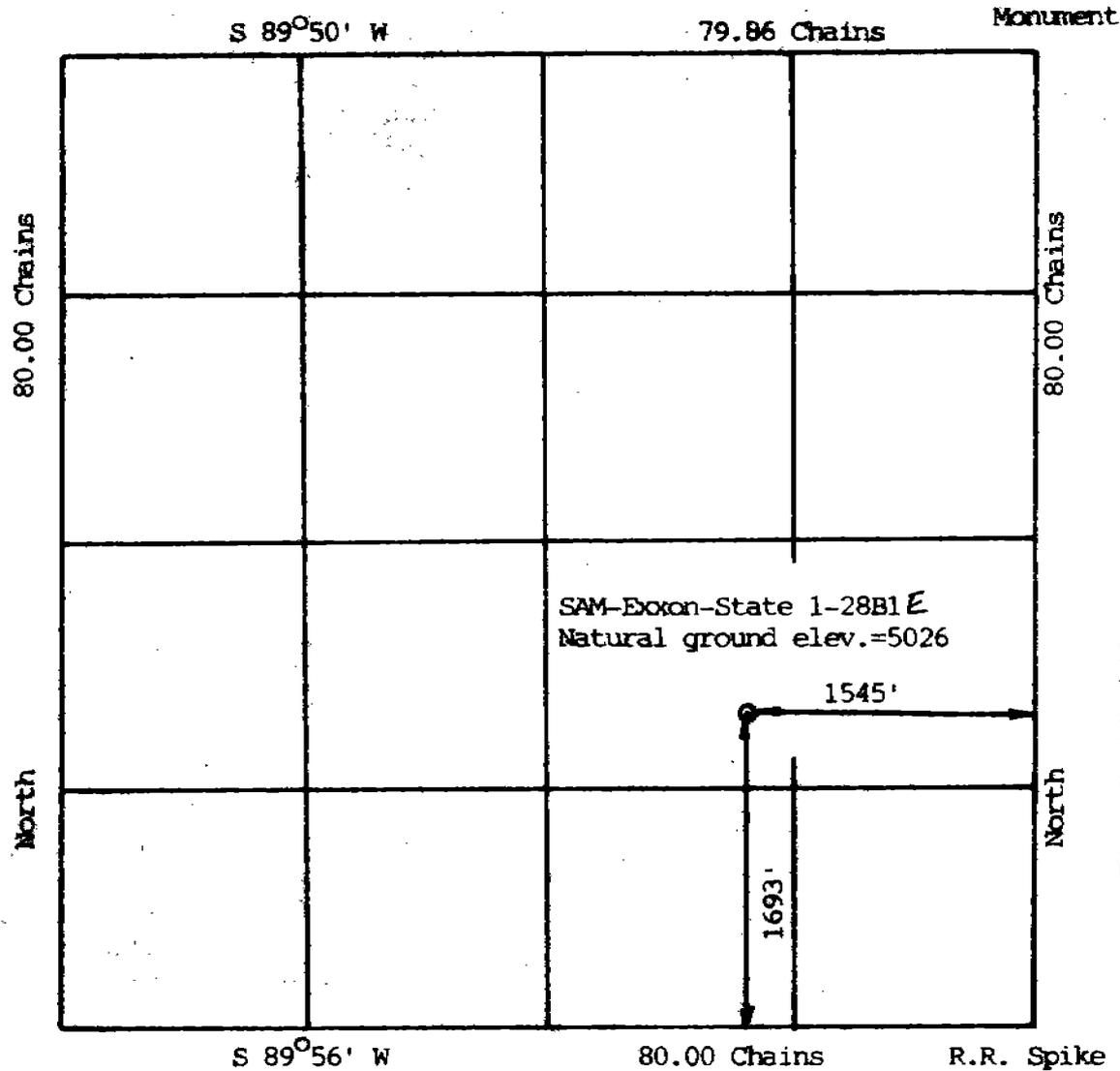
24. Signel: [Signature] Title: Pres. Date: June 28 84

(This space for Federal or State office use)
Permit No. Approval Date
Approved by Title Date
Conditions of approval, if any:

SECTION 28
 TOWNSHIP 2 SOUTH, RANGE 1 WEST
 UTAH SPECIAL BASE AND MERIDIAN
 DUCHESNE COUNTY, UTAH

SAM OIL CO.

WELL LOCATION: N.W. 1/4, S.E. 1/4



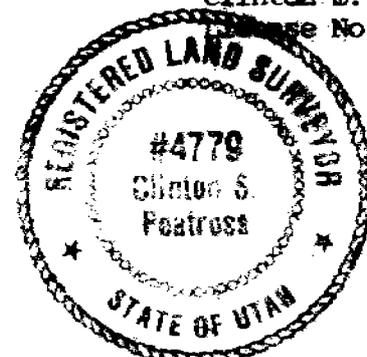
SCALE 1"=1000'

SURVEYOR'S CERTIFICATE

I, Clinton S. Peatross, Duchesne, Utah, do hereby certify that I am a Registered Land Surveyor, and that I hold License No. 4779, as prescribed by the laws of the state of Utah, and that I have made a survey of the oil well location, as shown on this plat.

6/20/84
 Date

Clinton S. Peatross
 Clinton S. Peatross
 License No. 4779, (Utah)



Section data obtained from G.L.O. plats.
 Job # 216

WELL PROGNOSIS

1. Surface Formation: Duchesne River Formation

2. Estimated Formation Tops:

Green River Formation 6,500
Wasatch Formation 9,500

3. Expected Mineral Bearing Depths:

Fresh Water Surface to 500'
Saline Water 500' to TD
Oil & Gas 7000' to TD

4. Casing Program:

All casing is to be new.

<u>Depth</u>	<u>Bit</u>	<u>Casing</u>	<u>Weight</u>	<u>Grade</u>	<u>Cement</u>
Surf - 40'	30"	20"	Line Pipe		Cement to Surface
Surf - 2500'	12½"	9-5/8"	36#	K55	400 CF
Surf - 9,000'	8-3/4"	7"	26,29,32#	N80	750 CF
8,500 - 13,500'	6"	5"	18#	S95	750 CF

One 7" string as indicated on APD.

5. Pressure Control - See attached diagram:

Minimum 3000 PSI Double rams to be installed after setting Surface Pipe.

5000 PSI Double rams with Spherical BOP to be installed after setting 7", Long String.

6. Drilling Mud:

Well to be drilled to 6500' with fresh water. Fresh gel mud, weighted with barite, as required, will be used from 6500' to TD. A minimum of 200 bbls of mud will be maintained in the mud tanks during normal operations. After setting the Long String, a minimum of 1000 sacks of barite will be on location.

7. Auxillary Equipment:

(1) Top and bottom kelly cocks, (2) F valve will be maintained on the drilling floor, Wasatch Fm. A Choke manifold, with automatic c be available, when drilling overpressured inter

ML-30605
S28, T.25 R.1W USM
SE/4 portion of
NE/4

WELL PROGNOSIS

1. Surface Formation: Duchesne River Formation

2. Estimated Formation Tops:

Green River Formation	6,500
Wasatch Formation	9,500

3. Expected Mineral Bearing Depths:

Fresh Water	Surface to 500'
Saline Water	500' to TD
Oil & Gas	7000' to TD

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All casing is to be new.

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Surf - 40'	30"	20"	Line Pipe		Cement to Surface
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Surf - 9,000'	8-3/4"	7"	26,29,32#	N80	750 CF
8,500 - 13,500'	6"	5"	18#	S95	750 CF

One 7" csg. string as indicated on APD.

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5000 PSI Double rams with Spherical BOP to be installed after setting 7", Long String.

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7. Auxillary Equipment:

(1) Top and bottom kelly cocks, (2) PVT equipment, and (3) stabbing valve will be maintained on the drilling floor, after reaching the top of the Wasatch Fm. A Choke manifold, with automatic choke, and a gas buster will also be available, when drilling overpressured intervals.

8. Formation Evaluation:

No cores or DST's are anticipated.

DIL-CR logs will be run from the Surface Pipe to TD. CNL-FDC and mud logs will be run from 6,500 to TD.

9. Drilling Hazards:

Overpressured intervals are expected in the lower Wasatch Fm. Pressure control equipment, weighted muds, and mud monitoring, previously outlined, will be adequate to maintain control of the well.

No other drilling Hazards are anticipated.

10. Timing:

The anticipated spud date is June 30, 1984

Estimated drilling time is 70 days.

The completion will take another 15 days.

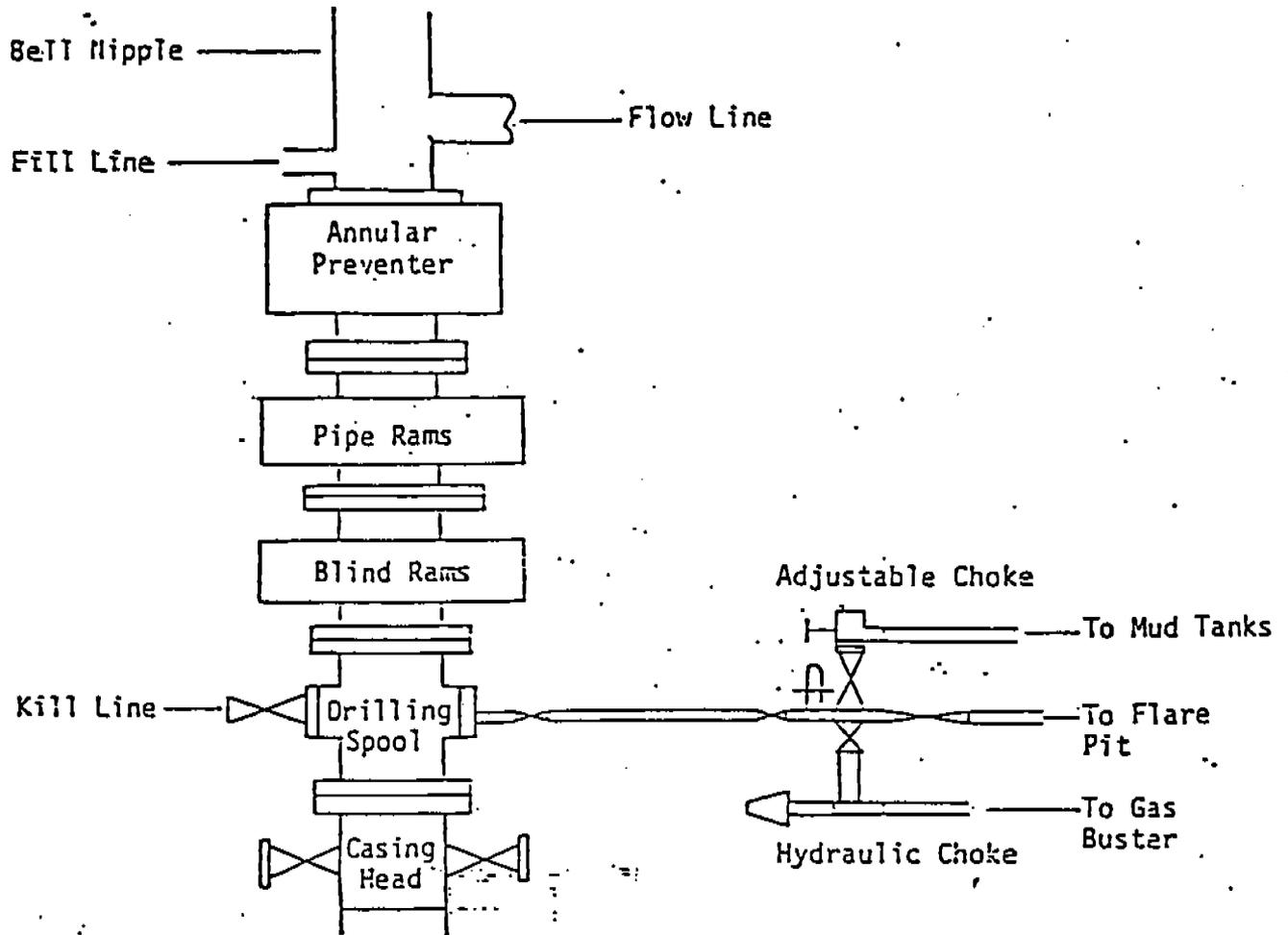
11. Water:

Water application to State of Utah for use of water from Duchesne River Drainage.

March 25, 1984

Kenneth J. Young
Geologist

BLOW OUT PREVENTION EQUIPMENT

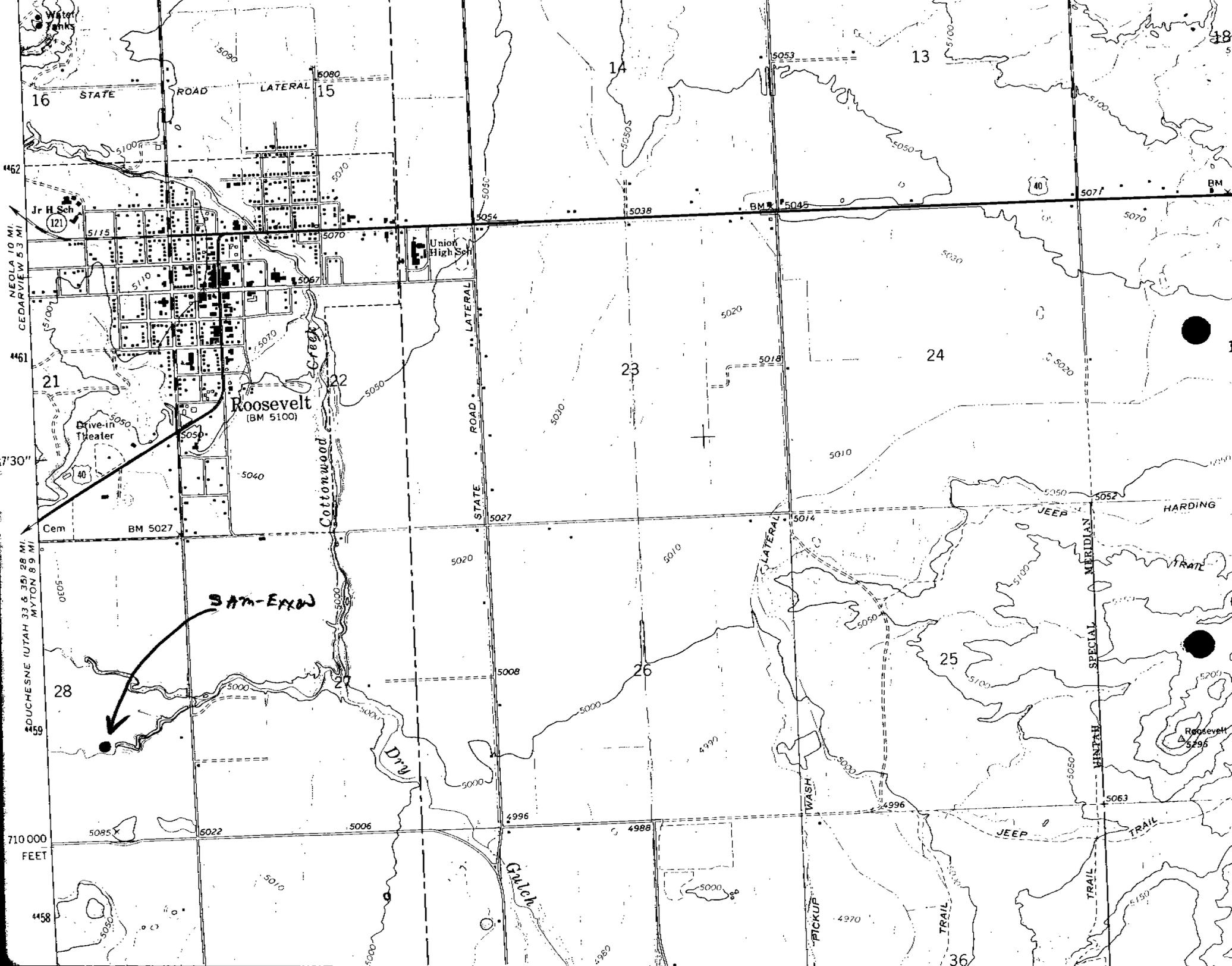


Minimum 3,000 PSI BOPE is to be installed after setting surface pipe. All preventers are to be tested to 1500 PSI prior to drilling out casing shoe.

Minimum 5,000 PSI BOPE is to be installed after setting the long string. The pipe rams and blind rams are to be tested to 5,000 PSI and the annular preventer to 1,500 PSI prior to drilling out shoe.

All auxiliary BOPE will be tested to appropriate pressures when BOP'S are tested. (Manifold, upper and lower Kelly cocks, valves, and inside BOP).

After drilling the shoe, the casing seat will be pressure tested to an equivalent mud weight of 13.5 ppg.



NEOLA 10 MI.
CEDARVIEW 5.3 MI.

462
461

7'30"

DOUCHESNE (UTAH 33 & 35) 28 MI.
MYTON 8.9 MI.

710 000
4458

16

21

28

14

23

26

13

24

25

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22

27

Roosevelt
(BM 5100)

Union High Sch.

Jr H Sch
(121)

STATE ROAD LATERAL

STATE ROAD LATERAL

LATERAL

SPECIAL MERIDIAN TRAIL
HINTAH TRAIL

HARDING

JEEP TRAIL

JEEP TRAIL

PICKUP TRAIL

36

SAM-EXON

BM 5027

BM 5045

BM 5071

Roosevelt
5295

5090

5080

5053

5100

5070

5050

5030

5020

5115

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RECEIVED

JUN 28 1984

DIVISION OF OIL
GAS & MINING

EXXON COMPANY, U.S.A.
POST OFFICE BOX 120 • DENVER, COLORADO 80201-0120

EXPLORATION DEPARTMENT
WESTERN DIVISION

June 27, 1984

Designation of Operator
NW/4SE/4, Sec. 28, T2S - R1W
ML-30565
SAM Oil, Inc.

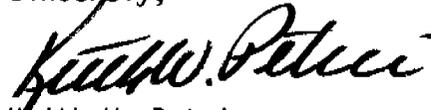
State of Utah
Oil, Gas & Mining Division
4241 State Office Building
Salt Lake City, Utah 84114

Attention Mr. Ronald J. Firth

Gentlemen:

Attached are three copies of Designation of Operator, as referenced above, executed on behalf of Exxon Corporation.

Sincerely,



Keith W. Petrie

KWP:dp
Attachment

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Department of Natural Resources, Division of State Lands, holder of lease, ML 30565 :

and hereby designates

NAME: SAM OIL, INC.
ADDRESS: P.O. Box 1030, Roosevelt, Utah 84066

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Director of the Division of State Lands or his representative may serve written or oral instructions in securing compliance with the Rules and Regulations Governing the Issuance of Mineral Leases with respect to (describe acreage to which this designation is applicable):

Township 2 South, Range 1 West, S.L.M.
Section 28: NW/4SE/4

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Rules and Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Director, Division of State Lands or his representative.

The lessee agrees promptly to notify the Division of State Lands of any change in the designated operator.

EXXON CORPORATION

By *C. L. Lehmann*
(Signature of Lessee)
Attorney-In-Fact

KWP

6-27-84
(Date)

Box 120 Denver, Colorado 80201
(Address)

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The undersigned is, on the records of the Department of Natural Resources, Division of State Lands, holder of lease, ML 30565 :

and hereby designates

NAME: SAM OIL, INC.

ADDRESS: P.O. Box 1030, Roosevelt, Utah 84066

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Township 2 South, Range 1 West, S.L.M.

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The lessee agrees promptly to notify the Division of State Lands of any change in the designated operator.

EXXON CORPORATION

By *C. S. Whitworth*
(Signature of Lessee)
Attorney-In-Fact

KWP

6-27-84
(Date)

Box 120 Denver, Colorado 80201
(Address)

To

ARLENE

Date

7-2

Time

2:55

WHILE YOU WERE OUT

M

JOHN COBERT

of

W. RIGHTS

Phone No.

TELEPHONED



PLEASE CALL

WAS IN TO SEE YOU

WILL CALL BACK

WANTS TO SEE YOU

URGENT

RETURNED YOUR CALL

Message

SAM EXON STATE 1-28:

WATER RIGHTS NUMBER
84-43-37

Jisa
Operator

OPERATOR Sam Oil Co. DATE 6/29/84
WELL NAME Sam - Exxon State 1-2815E
SEC NWSE 28 T 25 R 1W COUNTY Rockwell

43-013-30969
API NUMBER

State
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input type="checkbox"/>
<input type="checkbox"/>	NID	<input type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

No other wells in Sec. 28
Need water permit

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a 131-14 8/11/71 CAUSE NO. & DATE
 c-3-b c-3-c

SPECIAL LANGUAGE:

1- water

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

YES VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER 131-14

UNIT _____

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

June 29, 1984

San Oil Inc
P. O. Box 1030
Roosevelt, Utah 84066

RE: Well No. San-Eboxon State 1-2881E
N&SE Sec. 28, T. 2S, R. 1W
1693' FSL, 1545' REL
Duchesne County, Utah

Gentlemen:

Approval to drill the above referenced oil well is hereby granted in accordance with Order of Cause No. 131-14 dated August 11, 1971 subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.

In addition, the following actions are necessary to fully comply with this approval:

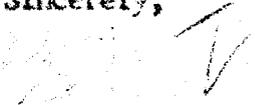
1. Spooling notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form COC-B-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Haze, Petroleum Engineer, (Office) (901) 533-5771, (Home) 298-7695 or E. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
Sam Oil Inc.
Well No. Sam-Exxon State 1-2831E
June 29, 1964

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-013-30969.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

RJF/as

cc: State Lands
Branch of Fluid Minerals

Enclosures

Dry Gulch Irrigation Company

OUR SYSTEM EMBRACES FIFTY-THREE THOUSAND ACRES OF FINE
CULTIVATED LAND IN THE HEART OF THE UINTAN BASIN

Capital Stock \$900,000

P. O. Box 265
Roosevelt, Utah 84066

June 30, 1984

State Division Water Rights
23 East Main Street
Vernal, Utah 84078

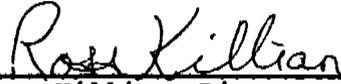
Re: Temporary change of water rights
for oil well drilling

Gentlemen:

This letter is written to give approval for a Mrs Marvel Malnar to store water in a pond in Section 34: T2S, R1W, to be used for the drilling of the Sam-Exxon oil and gas well in Section 28: T2S, R1W, Duchesne County, Utah.

If you need further evidences of ownership of Dry Gulch, please advise.

Sincerely,



Ross Killian, Director

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: Sam Oil

WELL NAME: Sam-Exxon State

SECTION 28 TOWNSHIP 25 RANGE 1W COUNTY Duchesne

DRILLING CONTRACTOR _____

RIG # _____

SPUDDED: DATE 6/30

TIME 3:15 pm

HOW Set conductor pipe

DRILLING WILL COMMENCE 7~~8~~/9

REPORTED BY Steven Molnar

TELEPHONE # 722-3344

DATE 7/2/84

SIGNED [Signature]

July 5, 1984

CERTIFIED MAIL NO. P 492 534 618

Sam Oil Inc.
P.O. Box 1030
Roosevelt, UT 84066

Gentlemen:

This office received a copy of a letter dated June 29, 1984 from the Division of Oil, Gas and Mining granting approval for your company to drill the Sam-Exxon State 1-28B1E Well in NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 28, T2S, R1W, USB&M. As you are aware, the land on which this well was to be drilled is covered by Utah State Oil, Gas and Hydrocarbon lease ML 30605, Exxon Corporation, lessee. This lease would have expired June 30, 1984 by it's own terms unless extended in accordance with the Rules and Regulations Governing the Issuance of Mineral Leases by the Division of State Lands. The drilling of the above captioned well over the expiration date would have acted to extend this lease. However, this well was not spudded and drilling operations were not being conducted on the leased lands over the expiration date.

This letter is to notify you that Oil, Gas and Hydrocarbon lease ML 30605 expired at midnight on June 30, 1984. Any rights you may have had to conduct operations on lands covered by this lease are no longer in effect. This lease has been terminated and the lands will be offered for lease in accordance with the provisions of Utah law and our regulations.

If you have any questions, please contact this office.

Yours very truly,

DONALD G. PRINCE
ASSISTANT DIRECTOR

DGP/eb

cc: Exxon Corporation
P.O. Box 120
Denver, CO 80201
Attn: C.L. Wilmott

State of Utah
Division of Oil, Gas & Mining
Attn: R.J. Firth

RECEIVED

JUL 6 1984

DIVISION OF OIL
& MINING

APPLICATION NO. 84-43-37
DISTRIBUTION SYSTEM

Application For Temporary Change of Point of Diversion,
Place or Purpose of Use
STATE OF UTAH

RECEIVED
JUL 6 1984
DIVISION OF OIL
GAS & MINING

(To Be Filed in Duplicate)

Vernal, Utah Place June 30, 1984 Date

For the purpose of obtaining permission to temporarily change the point of diversion, place or purpose of use of water, the right to the use of which was acquired by 43-3023 (C-2059) (Strike out written matter not needed) to that hereinafter described, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

- 1. The owner of right or application is Marvel Malnar
- 2. The name of the person making this application is Marvel Malnar
- 3. The post office address of the applicant is P.O. Box 1030, Roosevelt, Utah 84066

PAST USE OF WATER

- 4. The flow of water which has been used in second feet is 40 shares
 - 5. The quantity of water which has been used in acre feet is 40 shares
 - 6. The water has been used each year from March 1 (Month) (Day) to October 30 (Month) (Day) incl.
 - 7. The water has been stored each year from March (Month) (Day) to March (Month) (Day) incl.
 - 8. The direct source of supply is Lake Fork River in Duchesne County.
 - 9. The water has been diverted into Dry Gulch Creek ~~ditch~~ ^{XX} ~~canal~~ at a point located SE 1/4 SW 1/4 Sec 36 T2S, R2W 1500' FWL 900' FSL From Lake Fork River to Sandwash Reservoir, Big Sandwash Canal, into Dry Gulch Creek, then on to property.
 - 10. The water involved has been used for the following purpose: agriculture
- Sec 34, T2S-R1W Total 80 acres.

NOTE: If for irrigation, give legal subdivisions of land and total acreage which has been irrigated. If for other purposes, give place and purpose of use.

THE FOLLOWING TEMPORARY CHANGES ARE PROPOSED

- 11. The flow of water to be changed in cubic feet per second is
 - 12. The quantity of water to be changed in acre-feet is 3 acre feet per well
 - 13. The water will be diverted into the Dry Gulch Creek ~~ditch~~ ^{XX} ~~canal~~ at a point located SE 1/4 SW 1/4 Sec 34 T2S-R2W then into pond Sec 34 T2S-R1W
Water will be hauled from Sec 34 to location
 - 14. The change will be made from July 2, 1984 to July 1, 1985
(Period must not exceed one year)
 - 15. The reasons for the change are water will be stored in owner's pond in the NW 1/4 NW 1/4 T2S-R1W Sec 34. Water is to be used for oil well drilling in same section.
 - 16. The water involved herein has heretofore been temporarily changed N/A years prior to this application.
(List years change has been made)
 - 17. The water involved is to be used for the following purpose: Oil well drilling, Sam-Exxon-State
1-28 Sec 28 T2S-R1W Duchesne County
- Total _____ acres.

NOTE: If for irrigation, give legal subdivisions of land to be irrigated. If for other purposes, give place and purpose of proposed use.

EXPLANATORY

.....
.....
.....

A filing fee in the sum of \$5.00 is submitted herewith. I agree to pay an additional fee for either investigating or advertising this change, or both, upon the request of the State Engineer.

Marvel L. Malnar
Signature of Applicant

RULES AND REGULATIONS

(Read Carefully)

This application blank is to be used only for temporary change of point of diversion, place or nature of use for a definitely fixed period not to exceed one year. If a permanent change is desired, request proper application blanks from the State Engineer.

Application for temporary change must be filed in duplicate, accompanied by a filing fee of \$7.50. Where the water affected is under supervision of a Water Commissioner, appointed by the State Engineer, time will be saved if the Application is filed with the Commissioner, who will promptly investigate the proposed change and forward both copies with filing fee and his report to the State Engineer. Applications filed directly with the State Engineer will be mailed to the Water Commissioner for investigation and report. If there be no Water Commissioner on the source, the Application must be filed with the State Engineer.

When the State Engineer finds that the change will not impair the rights of others he will authorize the change to be made. If he shall find, either by his own investigation or otherwise, that the change sought might impair existing rights he shall give notice to persons whose rights might be affected and shall give them opportunity to be heard before acting upon the Application. Such notice shall be given five days before the hearing either by regular mail or by one publication in a newspaper. Before making an investigation or giving notice the State Engineer will require the applicant to deposit a sum of money sufficient to pay the expenses thereof.

Address all communications to:
State Engineer
State Capitol Building
Salt Lake City, Utah

STATE ENGINEER'S ENDORSEMENTS

(Not to be filled in by applicant)

Change Application No. (River System)

1. Application received by Water Commissioner (Name of Commissioner)

Recommendation of Commissioner

2. 7-2-84 Application received ^{over counter} by mail in State Engineer's Office by J.C.

3. Fee for filing application, \$7.50 received by ; Rec. No.

4. Application returned, with letter, to for correction.

5. Corrected application resubmitted ^{over counter} by mail to State Engineer's Office.

6. Fee for investigation requested \$.....

7. Fee for investigation \$..... received by ; Rec. No.

8. Investigation made by ; Recommendations:

9. Fee for giving notice requested \$.....

10. Fee for giving notice \$....., received by ; Rec. No.

11. Application approved for advertising by ^{publication} mail by

12. Notice published in.....

13. Notice of pending change application mailed to interested parties by as follows:

14. Change application protested by (Date Received and Name)

15. Hearing set for at

16. 7/2/84 Application recommended for ~~rejection~~ approval by RFG

17. 7/2/84 Change Application ~~rejected~~ approved and returned to applicant

THIS APPLICATION IS APPROVED SUBJECT TO THE FOLLOWING CONDITIONS:

- 1.
- 2.
- 3.

Robert F. Guy for

Dee C. Hansn, P. E. State Engineer



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Water Rights

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dee C. Hansen, State Engineer

23 East Main Street • P.O. Box 879 • Vernal, UT 84073 • 801-789-3714

July 3, 1984

RECEIVED

JUL 6 1984

DIVISION OF OIL
GAS & MINING

Mrs. Marvel Malnar
P. O. Box 1030
Roosevelt, Utah 84066

RE: Temporary Change 84-43-37

Dear Mrs. Malnar:

The above numbered Temporary Change Application has been approved, subject to prior rights.

A copy is herewith returned to you for your records and future reference.

Sincerely yours,

Robert F. Guy
for Dee C. Hansen, P. E.
State Engineer

DCH:RFG/ln

Enclosure

cc: Oil, Gas & Mining



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building - Salt Lake City, UT 84114 - 801-533-5771

July 6, 1984

Sam Oil Company
P.O. Box 1030
Roosevelt, Utah 84066

Gentlemen:

Re: Rescinding Permit to Drill- Sam-Exxon State # 1-28B1E

According to a letter from the Division State Lands recently received by this office, Oil, Gas and Hydrocarbon lease ML 30605 expired on June 30, 1984. Because this lease is associated with the proposed well, Sam-Exxon State # 1-28B1E, Sec. 28, T. 2S, R. 1W, Duchesne County, Utah, your permit to drill this well is hereby rescinded. Unless future verification of lease ownership and a new Application for Permit to Drill is submitted to this office, no further drilling activity is allowed.

In addition, this office recognizes that a verbal spudding notification submitted by Steven A. Malnar on July 3, 1984 was incorrect and no activity occurred at the proposed well location as indicated. Several inspections by both Division of Oil, Gas and Mining staff and Division of State Lands staff revealed no spudding or drilling activity had occurred on the subject lease as of July 3, 1984.

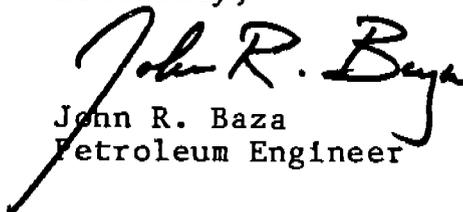
The falsification of reports or failure to report activities as required is viewed critically by the Division Staff. If such action is determined by the Board of Oil, Gas and Mining, to be intentional, a civil penalty of up to \$10,000 per day for each day of violation can be applied. In a case such as this one, in which the misreporting of spudding information could be construed as an attempt to falsely extend the lease, the Division staff would certainly recommend the maximum penalty to the Board.

Page 2
Sam Oil Company
July 6, 1984

These statements should in no way be regarded as threatening, but only to inform you that the Division Staff takes a strict stance on proper compliance with Rules and Regulations.

Your future cooperation in such matters would be greatly appreciated.

Sincerely,


John R. Baza
Petroleum Engineer

JRB/sb
cc: D.R. Nielson, DOGM
R. J. Firth, DOGM
Exxon Corporation
Att: C.L. Wilmott
P.O. BOX 120
Denver, Colorado 80201
92280-6-7



SAM OIL INC.
 P.O. Box 1030 Roosevelt, Utah 84066
 Steven A. Malnar

Office
 ZIONS BANK BUILDING
 SUITE 3
 ROOSEVELT, UTAH
 Phone (801) 722-3344

YA

RECEIVED

021918

JUL 16 1984

July 13, 1984

Mr John Baza
 DIVISION OF OIL
 GAS & MINING
 Petroleum Engineering
 State of Utah Natural Resources
 4241 State Office Building
 Salt Lake City, Utah 84114

Re: Sam-Exxon State Section 28:
 T2S, R1W Duchesne County, Utah

13-013-30910A

Dear Mr Baza:

In response to your July 6, 1984 letter, in which you stated that no activity had occurred at the proposed well location as indicated in the above referenced proposal, please be advised that we in no way, falsified any reports to your office. Sam Oil did, in fact, start well operation on the Sam-Exxon well on June 30, 1984. We moved a dry hole digger rig, owned by Leon Ross, Roosevelt, Utah, and spudded the well as to our telephone conversation to you on July 3rd 1984.

We received a phone call from Mr Prince on the same day, stating that our lease had expired. So we stopped all operations. Mr Ross was to return to set conductor pipe during the week of the 4th of July. Neola Services were contracted to build the well location.

We realize that we did not have the road and the location finalized because of the time element on the farm out that was received from Exxon. I feel Sam Oil kept the lease in force by our operation that was started on June 30, 1984. We will be sending a Certified letter to the state as to our status of this state lease.

Sincerely,

Steven A. Malnar
 President
 Sam Oil, Inc.

SAM/kf
 cc: Mr Prince
 State Lands & Forrests



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianna B. Nielson, Ph.D., Division Director

4241 State Office Building - Salt Lake City, UT 84114 - 801-533-5771

July 6, 1984

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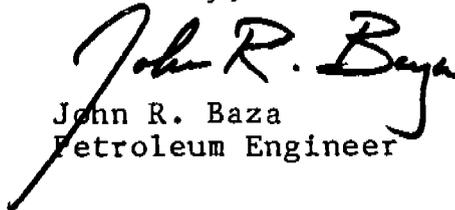
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July 6, 1984

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Sincerely,



John R. Baza
Petroleum Engineer

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